

PURPOSE

Carefully analyze and develop rates that are sufficient to fund the Operation, Maintenance and Replacement of essential utility infrastructure while maintaining a commitment to affordability and transparency.

OBJECTIVE

Ensure the City can responsibly invest in the infrastructure needed to provide round-theclock, safe and reliable utility services to ensure the public's health and economic vitality of our community today and into the future.

OVERVIEW OF RATE STUDY PROCESS

The Approach to all Utility Rate Studies is Remarkably Similar – Regardless of the Service

The 3 Common Phases to All Utility Rate Studies are:

Revenue Sufficiency Analysis

- Water
- Sewer
- Reclaimed water
- Stormwater

Purpose of the Analysis:

Development of financial plan which ensures adequate revenue to fund operating / capital expenses, maintain debt service coverage, maintain sufficient fund balances

Cost of Service Analysis

- Water
- Sewer
- Reclaimed water
- Stormwater

Purpose of the Analysis:

Development of analysis which assigns net costs to functional / customer cost components to ensure equity among customer classes

Rate Design Analysis

- Water
- Sewer
- Reclaimed water
- Stormwater

Purpose of the Analysis:

Development of analysis which assigns rates and charges to customers based on their usage / benefit characteristics



Timeline

Proposed schedule

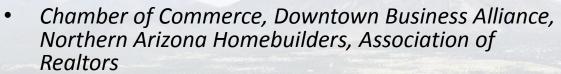
• 7	7-16-2015	Water Commission I	Final report review
-----	-----------	--------------------	---------------------

•	July-October	Community	, Stakeholde	r meetings
---	--------------	-----------	--------------	------------

2016 New Rates Effective (tentative)

Stakeholder Outreach

July-October Community Meetings with Key Stakeholders





- Large Customers
- Large Irrigators
- University, College and School Districts
- Civic Groups-Lions, Rotary Clubs
- Neighborhood Groups
- Sierra Club, Friends of Flagstaff Future
- other
- Bill Inserts
- Cityscape Newspaper
- Website







Nestle







Website Information

For more information on the City's Rate Study and background information please go to City of Flagstaff Website

http://www.flagstaff.az.gov

search water rates



QUESTIONS

